

Attachment No. 6

Staff Memorandums and Other Correspondence



DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land – Helping to Build Great Communities

Date: October 7, 2016

To: Planning Commission

From: Brian Pedrotti, Project Manager

Subject: Continued item - Workforce Housing Ordinance and Design Guidelines / LRP2014-00018

The above-referenced item was continued by the Planning Commission from the September 8, 2016 hearing to the October 27, 2016 hearing. At the September meeting, the Planning Commission directed staff to return in October with a final version of the Workforce Housing Ordinance and Design Guidelines. Staff will provide a final copy of these documents to the Commission prior to the hearing.

Please bring your staff report packet from the September 8, 2016 hearing.

If you have any questions regarding this matter, please contact Brian Pedrotti at (805) 788-2788.



DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land – Helping to Build Great Communities

Date: September 8, 2016

To: Planning Commission

From: Brian Pedrotti, Project Manager

Subject: Continued item - Workforce Housing Ordinance and Design Guidelines / LRP2014-00018

At the July 28, 2016 regularly scheduled meeting, the Planning Commission continued the above-referenced item to the September 8, 2016 meeting.

Please bring your staff report packet from the May 26, 2016 hearing.

If you have any questions regarding this matter, please contact Brian Pedrotti at (805) 788-2788.



ECONOMIC STRATEGY PROJECT
Building Design & Construction Cluster
Serving all of San Luis Obispo County
www.sloevc.org/BDC

September 7, 2016

Planning Commission
County of San Luis Obispo
1050 Monterey Street
San Luis Obispo, CA 93408

Re: Workforce Housing Ordinance & Design Guidelines

Dear Commissioners,

We, as members of the Building, Design and Construction Cluster of the Economic Vitality Corporation's Economic Strategy Project, a group of building, industry professionals committed to a thriving and healthy community, along with our community partners have worked alongside County Staff to help craft the Workforce Housing Ordinance & Design Guidelines. After carefully reviewing the latest revisions to the Workforce Housing Ordinance & Guidelines, we offer the following input:

Workforce Housing Ordinance

Recommendations for consideration:

- **22.30.477 E- 8 - Inclusionary Housing Element**: We recommend a 75 percent reduction in the inclusionary requirement, or a 50 percent reduction in the inclusionary requirement for a workforce housing subdivision, provided those units could be satisfied with secondary dwellings. Lowering the inclusionary requirement would allow for more "Workforce Housing," those whose area median income falls between the 120 – 160 percent range. The inclusionary element forces developers to create "Affordable Housing" seriously impacting the feasibility of creating workforce housing units, which is the intent of this ordinance. Eliminating or substantially reducing the inclusionary element makes common sense in that it removes a barrier for the developer to meet the objective of the Ordinance which is to provide Workforce Housing.
- **22.30.477 H-1(a) - Cap on Units**: We recommend an increase in the total number of units from 100 to 200. We also recommend that the Ordinance be applied retroactively to projects that are already in the pipeline that meet the necessary requirements. In order for the ordinance to have a meaningful impact and to attract the attention of developers, at least

September 7, 2016

Page 2 of 3

200 units should be approved for the pilot program. By applying the Ordinance to those projects already in the pipeline, this will lower the overall cost by pushing projects through the system faster and lower the inclusionary requirement for the project, in turn bringing more affordable housing to our community.

Support:

- 22.30.477 B-1 – Location and Land Use Category: We support the expansion of workforce housing subdivision locations to, “Residential Rural and Residential Subdivisions” as this will allow for projects to be created on lower cost lots.
- 22.30.477 E-4(c) – Balconies: We support the additional language that states a balcony can extend over a public right-of-way. This allows greater flexibility.

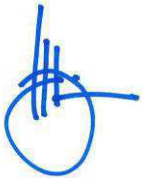
Workforce Housing Design Guidelines

We support the revisions to these guidelines and have no recommended changes at this time. In addition, we would like to note that we are especially pleased with the revision regarding the owner occupancy requirements for residences, which will mitigate the risks of homes being purchased and sold for a profit or converted to vacation rentals which would not help the overarching goal of supplying housing for our workforce.

To demonstrate the necessity of these revisions and ensure their effectiveness, we ask the Commission consider recommending that any projects that meet the Workforce Housing Ordinance & Design Guidelines be expedited through the project review/decision-making process.

We thank you for your due diligence and thoughtfulness through this process and ask that you please consider the above recommendations.

Sincerely,



Leonard Grant
Principal Architect, RRM Design Group
Chair, Building Design & Construction
LJGrant@rrmdesign.com



Brad Brechwald, P.E.
CEO, Wallace Group
Vice-Chair, Building Design & Construction
bradb@wallacegroup

Attachment 6 - Staff Memorandums and Other Correspondence

September 7, 2016

Page 3 of 3

A black ink signature of Michael E. Manchak, appearing as a stylized 'M' followed by a horizontal line.

Michael E. Manchak, President & CEO
Economic Vitality Corporation

A purple ink signature of Kris Vardas, appearing as a stylized 'K' followed by a horizontal line.

Kris Vardas, Chair
Economic Strategy Project
Economic Vitality Corporation

cc: Ziyad Naccasha, Chair, EVC Board
 EVC Board of Directors
 Building Design & Construction Cluster, EVC Economic Strategy Project
 Dan Buckshi, CAO, County of San Luis Obispo
 Jim Bergman, Director, County Planning & Building Department
 Brian Pedrotti, Project Manager, County Planning & Building Department



DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land – Helping to Build Great Communities

Date: July 28, 2016
To: Planning Commission
From: Brian Pedrotti, Project Manager
Subject: Continued item - Workforce Housing Ordinance and Design Guidelines / LRP2014-00018

At the July 14, 2016 regularly scheduled meeting, the Planning Commission continued the above-referenced item to their July 28, 2016 meeting.

Please bring your staff report packet from the May 26, 2016 hearing.

If you have any questions regarding this matter, please contact Brian Pedrotti at (805) 788-2788.

Other Corres	HASLO Very Low	HASLO Low	HASLO Moderate	Irish Hills Moderate
Orange				
Green				
Pink				
Red				

The site plan illustrates a residential development with 14 buildings, each color-coded: Buildings 1-4 are red, 5-8 are orange, 9-12 are green, and 13-14 are purple. The plan includes Victoria Avenue to the north, Humbert Avenue to the east, and Lawrence Drive to the west. A central common plaza is surrounded by buildings 1-12. Building 14 is located in a separate section to the north. The plan also shows a community garden, a parking lot, and various utility areas like high-pressure gas and fire control. A north arrow is located in the upper right corner.

[illegible]

1	PROPERTY LINE	3	MAILING ADDRESS (A)
2	PUBLIC UTILITY EASEMENT	4	ORANGEAD EASEMENT
5	EASEMENT -	6	EASEMENT -

10	building footprint	11	to 15% of a building's total energy
12	we don't refer to net zero	13	only about
14	power/ storage	15	only associated with

18	REAGENCY: HILL	19	CARDEN: HILL
20	THE LMS FIGHTING	21	WELSH: BENTON: SON
22	THE CITY OF NEWARK	23	UNUSUAL: HILL
24	PROJECT: NEWARK: SON: HILL: HILL	25	

PAVING (Estimating, labor)	
26	CONCRETE, PREPARED AREA
27	CONCRETE, 4x4x4
28	CONCRETE, 4x4x4
29	CONCRETE, 4x4x4
30	CONCRETE, 4x4x4
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97	CONCRETE, 4x4x4
98	CONCRETE, 4x4x4
99	CONCRETE, 4x4x4
100	CONCRETE, 4x4x4

23	DEVELOP APPROACH	23	CONCRETE SLAB
24	ORIG. GUTTER & SIDEWALK	24	LANDING SLUGS
25	36" WIDE LEVEL BOTTOM LANDING FROM EXTERIOR STAIR	25	STANDARD & COLORED STEPS TO CHG. & LAND

IN ORDER TO DO SO, WE MUST SET AN AGENDA THAT MEETS OUR NEEDS.

to 6.50 grams per 100 grams of dry matter. The total protein content of the feed was 17.5 percent.

THE COURT OF APPEALS IN THE DISTRICT OF COLUMBIA
HAS REVERSED THE JUDGMENT OF THE DISTRICT COURT
AND HAS ORDERED THAT THE JUDGMENT OF THE DISTRICT COURT
BE REVERSED AND THAT THE JUDGMENT OF THE DISTRICT COURT
BE AFFIRMED.

84. THE FOLLOWING ARE THE PROPOSED AND PENDING COSTS INCURRED BY THE COMPANY:

(1) DEPRECIATION, (2) SALARY AND COMMISSION, (3) REPAIRS AND MAINTENANCE, (4) TRAVEL, (5) TELEPHONE, (6) POSTAGE, (7) FREIGHT, (8) INSURANCE, (9) INTEREST, (10) TAXES, (11) SINKING FUND, (12) DIVIDENDS, (13) OTHERS.

(1) DEPRECIATION, (2) SALARY AND COMMISSION, (3) REPAIRS AND MAINTENANCE, (4) TRAVEL, (5) TELEPHONE, (6) POSTAGE, (7) FREIGHT, (8) INSURANCE, (9) INTEREST, (10) TAXES, (11) SINKING FUND, (12) DIVIDENDS, (13) OTHERS.

[illegible]

HASLO

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Moylan Terrace
851 Humbert Avenue
San Luis Obispo, California
Tract 2977



8 of 30

Site Plan - Building Location & Parking Info.

Site Plan - Building Location & Parking

Architect of Record
rrm design group
creating environments people enjoy®
3760 South Highway 24, Ste. 100, San Luis Obispo, CA 93071

BUYER'S DISCLOSURE STATEMENT

SHARED EQUITY PROGRAM City of San Luis Obispo

As a participant in the City of San Luis Obispo's Shared Equity Program, you are buying a home at an affordable price that is below fair market value. In exchange for giving you the opportunity to buy your house at an affordable price, the City will require you to sign a Promissory Note, Deed of Trust and an Occupancy, Use, Refinancing, and Shared Equity Agreement (the "Agreement"). **The Agreement and the Deed of Trust will be recorded against your property.** These documents will ensure that the City Loan is repaid, along with any interest, and are enforceable by the City.

The Promissory Note, Deed of Trust and the Agreement set forth many conditions that you must meet, including these major provisions:

- Your home must be sole and principal place of residence. You are not allowed to lease or rent your home to anyone. (See Section 2 of the Agreement).
- Your home, including landscaping, must be kept in good condition and repair and maintained in a neat, clean, and orderly condition and in accordance with all applicable laws. (See Section 3 of the Agreement.)
- You agree to keep a standard homeowner's insurance policy. Your insurance policy must name the City as an "additional insured" and be in an amount equal to the replacement value of the home. (See Section 3 of the Agreement).
- When you are ready to sell your home, you must pay the City a share of your home's appreciation in value and a share of the difference between the affordable price and the fair market appraised value of your home. An example is described in this disclosure. (See Section 7 of the Agreement.)
- The Agreement places controls on the refinancing of your first mortgage loan and does not allow you to take out a junior loan or equity line of credit. (See Section 10 of the Agreement.)

This Disclosure Statement explains only the major provisions of the Promissory Note, Deed of Trust, and Agreement. **You should, of course, read the entire Promissory Note, the Agreement, and the Deed of Trust and become completely familiar with them.**¹ If there is any conflict between this Disclosure Statement and the Agreement, Deed of Trust, and Promissory Note, the terms of the Agreement, Deed of Trust, and Promissory Note will prevail.

Numerical examples are included in this Disclosure Statement to help you better understand the concepts, terms, and provisions of the Buyer's Agreement and Promissory Note. Please be aware that these are simply to show how things work and that they are not intended to represent your specific situation. Numbers have been rounded to the nearest \$100 so that they are easier to understand.

A. REQUIREMENTS IN EFFECT FOR 45 YEARS

The requirements in the Agreement apply until the earlier of (i) forty-five years from the date of the Agreements; or (ii) the date you sell or transfer your home and pay all amounts due to the City.

B. PRINCIPAL RESIDENCE; NO RENTAL OF YOUR HOME

Your home must be your sole principal place of residence. Your home may not be rented or leased, nor may you allow it to remain vacant.

If you violate this provision, the City may sue to prevent you from renting out your home, and you will owe the City any rent you have received. You will also be in default under the Agreement and the Promissory Note, and the City may require you to pay all amounts due to the City.

C. MAINTAINING YOUR HOME/ PROPERTY INSURANCE

By signing the Agreement, you agree to keep your home and landscaping in good repair and in neat, clean, and orderly condition. You cannot allow the property to deteriorate so that it would be defined as a nuisance by the San Luis Obispo Municipal Code, or permit your property to be used for the commission of any misdemeanor or felony. You also agree to keep a standard homeowner's insurance policy, with the City named as an additional insured. The insurance policy must have a value at least equal to the replacement value of the home. Every five years (or every year, if provided by the policy), the replacement value will be reviewed and adjusted as needed.

D. AMOUNT OWED TO CITY

The Promissory Note that you must sign shows that you owe the City the difference between the affordable price at which you purchased your home and its fair market appraised value. This amount is called the "Below Market Benefit." When you sell or transfer your home, you will owe the City some percentage of the difference between the affordable price at which you purchased your home and the price at which you sell your home. The percentage is highest in the first two years after you buy your home, and is lowest after you have owned your home for 6 years or more. The examples below explain how the amount due to the City is calculated.

The Shared Equity Percentage is calculated by dividing the Below Market Benefit by the appraised fair market value of your home at the time you bought it. For instance, if the initial appraised fair market value of your home when you bought it was \$400,000 and the affordable price was \$280,000, the amount of the Below Market Benefit would be \$120,000.

Attachment 6 - Staff Memorandums and Other Correspondence

Shared Equity % = City Loan ÷ Initial Fair Market Value

$$= \$120,000 \div \$400,000 = 30\%$$

The longer you own your home, the lower percentage of appreciation you will owe the City. The table below shows this for a situation where the shared equity percentage is 30%.

YEARS OWNED	SHARED EQUITY PERCENTAGE*
0-2	100%
3	100% [equals 30% + 75%; 100% max]
4	80% [equals 30% + 50%]
5	55% [equals 30% + 25%]
6 or more	30% [equals 30% above]

*The shared equity percentage cannot exceed 100%.

The examples below demonstrate that it is very advantageous to own your home for six years or more.

EXAMPLE 1 You sell your home after living in it for 8 years.

Because you have owned your home for more than 6 years, the City will receive 30 percent of the difference between the original affordable price of your home and the price at which you sell it, minus your real estate commission and closing costs (the "Net Proceeds of Sale"). If you sell your home for \$600,000, the following would result:

Fair Market Resale Price	\$ 600,000
Initial Affordable Price	<u>280,000</u>
Gross Appreciation	\$ 320,000
Real Estate Commission & Costs (est.)	<u>\$ 36,000</u>
"Net Proceeds of Sale"	\$ 284,000
City Share of Appreciation Amount (30% of \$284,000)	<u>\$ 85,200</u>
Share of Appreciation That You Keep	\$ 198,800

The total you would owe the City is the following:

TOTAL AMOUNT YOU OWE CITY:	\$ 85,200
TOTAL PROCEEDS TO YOU:	\$ 514,800

You would pay your real estate commission, bank mortgage, and all other costs out of the proceeds to you.

EXAMPLE 2 You sell your home after living in it for 3 years. The initial appraised fair market value of your home when you bought it was \$400,000; the affordable price was \$280,000. The amount of the Below Market Benefit was \$120,000.

$$\begin{aligned}\text{Shared Equity \%} &= \text{City Loan} \div \text{Initial Fair Market Value} \\ &= \$120,000 \div \$400,000 = 30\%\end{aligned}$$

Because you have owned your home for only 3 years, the City will receive 100 percent of the difference between the original affordable price of your home and the price at which you sell it, minus your real estate commission and closing costs (the "Net Proceeds of Sale"). If you sell your home for \$500,000, the following would result:

Fair Market Resale Price	\$ 500,000
Initial Affordable Price	<u>280,000</u>
Gross Appreciation	\$ 220,000
Real Estate Commission & Costs (est)	<u>\$ 30,000</u>
"Net Proceeds of Sale"	\$ 190,000
City Share of Appreciation Amount (100% of \$190,000)	<u>\$ 190,000</u>
Share of Appreciation That You Keep	\$ 0

The total you would owe the City is the following:

TOTAL AMOUNT YOU OWE CITY:	\$ 190,000
TOTAL PROCEEDS TO YOU:	\$ 310,000

You would pay your real estate commission, bank mortgage, and all other costs out of the proceeds to you. Retaining ownership of your home for 6 years or more results in substantial benefits to you.

E. SELLING YOUR HOME

Under the terms of the Agreement, when you decide to sell your home and have selected a buyer, you must notify the City. You must provide the City with the sales contract, the appraisal, amount of any real estate commission, the final escrow statement, and a certification from you and the buyer that you did not receive any payment in addition to that shown in the sales contract. You must sell the property at a price that is at least 95% of fair market value.

Fair market value can be established by a real estate appraiser approved by the City. If possible, the appraisal will be based on the sales prices of homes similar to yours which are sold in your area during the preceding three (3)-month period. You will be responsible for the cost of an appraisal.

You and the City may also set the Fair Market Value of your home by mutual agreement based on comparable sales instead of relying on an appraiser. Both you and the City would have to agree on the final Fair Market Value amount. If you and the City fail to agree on the Fair Market Value, either you or the City can require use of the appraisal method.

You must pay all amounts due to the City when you sell your home.

F. REFINANCE OF YOUR FIRST MORTGAGE; NO JUNIOR LOANS

The Agreement allows you to refinance your first mortgage loan in certain instances. As a requirement of refinancing, first mortgage lenders usually require that the City subordinate its Agreements to them. The City will only subordinate the Agreement and City Deed of Trust if the following conditions are met:

1. Following the refinance, all the debt on your property, including the principal and Contingent Interest on the City Loan, must not exceed 90 percent of the value of the property. However, if the *existing* balance on your *first* mortgage exceeds 90 percent of your property's value, the City will permit the refinancing if the new loan will reduce your monthly mortgage payments.

2. The new first mortgage loan must be fully amortized with a fixed rate of interest. The City will not subordinate to interest-only loans, so-called "option ARMs," loans that permit negative amortization, or loans that require a balloon payment after a period of time.

3. The proceeds of the refinancing may only be used to pay off your first mortgage and to pay for closing costs and home improvements. The new loan may not exceed your ability to pay.

You are not permitted to take out a junior loan or equity line of credit. If you take out a junior loan, you will be in default under the Agreement and the Deed of Trust.

G. DEFAULT PROVISIONS

If you violate any provisions of the Agreement, the Promissory Note, or the Deed of Trust, you are considered to be in default under the Agreement. Also, if you default under any other loan on the home, such as your first mortgage loan, you would also be considered to be in default under the Agreement. If you do not correct the violation, the City could require you to pay the City all amounts due to it. The City could also go to court and get a court order to enforce the provisions of the Agreement. In addition, if you fail to meet the requirements of the Agreement, the City has the right to foreclose and take your home.

* * * * *

Attachment 6 - Staff Memorandums and Other Correspondence

Please sign the enclosed copy of this Borrower Disclosure Statement in the space provided below and return it to: City of San Luis Obispo, 919 Palm Street, San Luis Obispo, 93401. Attention: Community Development Director.

I have read and understand the above Borrower Disclosure Statement.

By: _____ Date: _____
Signature of Borrower

Printed Name of Borrower

_____ Date: _____
Signature of Borrower

Printed Name of Borrower

Attachment 6 - Staff Memorandums and Other Correspondence

	Sliding base on unit size	Single Family				Single Family		Mobile Home		Multi-Family	
Fee Category	Type of Fee	1500 S.F.	2500 S.F.	3500 S.F.	Avg 2,500 s.f.		Standard	3500 S.F.		Avg 2,500 s.f.	
Building Division	Inspection Fees	\$2,425	\$2,903	\$3,196	\$2,841		\$931	\$3,196		\$2,841	
	Plan Check Fee	\$1,709	\$1,933	\$2,316	\$1,986		\$732	\$2,316		\$1,986	
	Well Potability Test	\$217	\$217	\$217	\$217		\$217	\$217		\$217	
South County Mitigation Fee	Discount if not in South County Planning Area	\$230	\$230	\$230	\$230		\$230	\$145		\$145	
CWMP	Recycling	\$73	\$73	\$73	\$73			\$73		\$73	
State Fees	SMIP Tax (Earthquake)										
	BSAF (Bldg Standards)	\$34.46	\$11.00	\$51.41	\$16.00	\$68.37	\$22.00	\$51.41	\$16.00	\$9.20	\$3.00
Planning Division	Plot Plan Review	\$279	\$279	\$279	\$279		\$279	\$279		\$279	
	Addressing	\$77	\$77	\$77	\$77		\$77	\$77		\$77	
Cal Fire	Fire Plan (CDF Response Area)	\$421	\$421	\$421	\$421		\$421	\$421		\$421	
County	Public Facilities Fees	\$5,021	\$5,941	\$6,861	\$5,941		\$5,481	\$5,991		\$5,071	
Growth Management	Allotment	\$94	\$94	\$94	\$94		\$94	\$94		\$94	
Public Works	Intake, Review	\$46	\$46	\$46	\$46		\$46	\$46		\$46	
Estimated Fees*		\$10,565	\$12,210	\$13,828	\$12,268		\$8,513	\$12,945		\$11,385	
Estimated deposit due when submitting app		\$2,600	\$2,900	\$3,400	\$2,967		\$2,300	\$3,400		\$2,967	
Additional Fees											
County Public Works	Drainage & Flood Hazard Review				\$182		\$182	\$182		\$182	
	Encroachment (Cnty Rd)										
	Encroachment (bond)				\$626 \$1000		\$626 \$1000	\$626 \$1000		\$626 \$1000	
	Rd Fees (Vary by location)										
School Fees	Paid to school district 3.60 per s.f. (approx)				\$9,000		\$3,600	\$9,000		\$9,000	

CHAPTER 32

ENCROACHMENTS INTO THE PUBLIC RIGHT-OF-WAY

SECTION 3201
GENERAL

3201.1 Scope. The provisions of this chapter shall govern the encroachment of structures into the public right-of-way.

3201.2 Measurement. The projection of any structure or portion thereof shall be the distance measured horizontally from the lot line to the outermost point of the projection.

3201.3 Other laws. The provisions of this chapter shall not be construed to permit the violation of other laws or ordinances regulating the use and occupancy of public property.

3201.4 Drainage. Drainage water collected from a roof, awning, canopy or marquee, and condensate from mechanical equipment shall not flow over a public walking surface.

SECTION 3202
ENCROACHMENTS

3202.1 Encroachments below grade. Encroachments below grade shall comply with Sections 3202.1.1 through 3202.1.3.

3202.1.1 Structural support. A part of a building erected below grade that is necessary for structural support of the building or structure shall not project beyond the lot lines, except that the footings of street walls or their supports which are located at least 8 feet (2438 mm) below grade shall not project more than 12 inches (305 mm) beyond the street lot line.

3202.1.2 Vaults and other enclosed spaces. The construction and utilization of vaults and other enclosed space below grade shall be subject to the terms and conditions of the authority or legislative body having jurisdiction.

3202.1.3 Areaways. Areaways shall be protected by grates, guards or other approved means.

3202.2 Encroachments above grade and below 8 feet in height. Encroachments into the public right-of-way above grade and below 8 feet (2438 mm) in height shall be prohibited except as provided for in Sections 3202.2.1 through 3202.2.3. Doors and windows shall not open or project into the public right-of-way.

3202.2.1 Steps. Steps shall not project more than 12 inches (305 mm) and shall be guarded by approved devices not less than 3 feet (914 mm) high, or shall be located between columns or pilasters.

3202.2.2 Architectural features. Columns or pilasters, including bases and moldings shall not project more than 12 inches (305 mm). Belt courses, lintels, sills, architraves, pediments and similar architectural features shall not project more than 4 inches (102 mm).

3202.2.3 Awnings. The vertical clearance from the public right-of-way to the lowest part of any awning, including valances, shall be 7 feet (2134 mm) minimum.

3202.3 Encroachments 8 feet or more above grade. Encroachments 8 feet (2438 mm) or more above grade shall comply with Sections 3202.3.1 through 3202.3.4.

3202.3.1 Awnings, canopies, marquees and signs. Awnings, canopies, marquees and signs shall be constructed so as to support applicable loads as specified in Chapter 16. Awnings, canopies, marquees and signs with less than 15 feet (4572 mm) clearance above the sidewalk shall not extend into or occupy more than two-thirds the width of the sidewalk measured from the building. Stanchions or columns that support awnings, canopies, marquees and signs shall be located not less than 2 feet (610 mm) in from the curb line.

3202.3.2 Windows, balconies, architectural features and mechanical equipment. Where the vertical clearance above grade to projecting windows, balconies, architectural features or mechanical equipment is more than 8 feet (2438 mm), 1 inch (25 mm) of encroachment is permitted for each additional 1 inch (25 mm) of clearance above 8 feet (2438 mm), but the maximum encroachment shall be 4 feet (1219 mm).

3202.3.3 Encroachments 15 feet or more above grade. Encroachments 15 feet (4572 mm) or more above grade shall not be limited.

3202.3.4 Pedestrian walkways. The installation of a pedestrian walkway over a public right-of-way shall be subject to the approval of local authority having jurisdiction. The vertical clearance from the public right-of-way to the lowest part of a pedestrian walkway shall be 15 feet (4572 mm) minimum.

3202.4 Temporary encroachments. Where allowed by the local authority having jurisdiction, vestibules and storm enclosures shall not be erected for a period of time exceeding 7 months in any one year and shall not encroach more than 3 feet (914 mm) nor more than one-fourth of the width of the sidewalk beyond the street lot line. Temporary entrance awnings shall be erected with a minimum clearance of 7 feet (2134 mm) to the lowest portion of the hood or awning where supported on removable steel or other approved noncombustible support.

Attachment 6 - Staff Memorandums and Other Correspondence

SAN LUIS OBISPO COUNTY CODE - TITLE 22, LAND USE ORDINANCE

Standards for Specific Land Uses

22.30.470

22.30.475 - Residential - Small Lot Single-Family

In addition to complying with the Planned Development standards in Sections 22.22.145.B, Small-Lot Single-Family projects in the Residential Single-Family and Residential Multi-Family land use categories shall comply with the following standards:

- A. Minimum site area.** 6,000 square feet in Residential Single-Family.
- B. Parking.** The garage/workshop for a secondary dwelling is limited to a maximum of 50 percent of the size of the secondary dwelling. Parking shall be provided as follows:

Size of Unit	Number of Parking Spaces
Units 800 square feet in size or less	1 space
Units 801 to 1,000 square feet in size	1.5 spaces
Units over 1,000 square feet in size	2 spaces

- C. Height.** The height of all structures shall be no greater than 35 feet.
- D. Second and third stories.** Second story floor area cannot exceed 75 percent of first floor footprint. The second story floor footprint may be up to 100 percent of the first floor footprint where design features such as architectural details, building materials or building articulation are proposed. Where the structure is greater than two stories in height, the top story shall not exceed 75 percent of the first floor footprint; design features shall be used to break up the visual mass of the structure; and the effects of shadows of the structure on surrounding residences and yard areas shall be considered.
- E. Distance between structures.** Six feet minimum is required between all structures. Zero lot line designs are also allowable in accordance with Section 22.10.140.E.6.c.
- F. Attached Covered Porches.** The use of attached covered front porches is highly encouraged. If not proposed, the applicant shall include a request and explanation in the justification letter consistent with Subsection 22.22.145.H. Front porches shall be a minimum of 60 square feet.
- G. Common Community Gathering Area (CCGA).** In addition to the requirements for CCGA for Planned Developments in Section 22.22.145.B.1.e, CCGA shall be provided for Small-Lot Single Family developments as follows:
- 300 square feet minimum per unit. This requirement replaces the requirement as set forth in Subsection 22.22.145.B.1.e.(1).
 - All units shall be a minimum 200 feet walking distance of CCGA.
- H. Storage.** For units with no dedicated enclosed parking, a storage area of a minimum of 100 cubic feet shall be provided for each unit. The storage may be attached to the dwellings or may be attached to a carport structure(s).

[Added 2013, Ord. 3242]

Attachment 6 - Staff Memorandums and Other Correspondence

PLANNING COMMISSION APPEARANCE REQUEST FORM

The San Luis Obispo County Planning Commission Welcomes Your Comments

In the interest of time, three (3) minutes will be reserved for your presentation. Please submit this completed form to the Clerk of the Planning Commission prior to the item.

Public Comment remarks should be directed to the Chairman and the Commission as a whole and not to any individual thereof. No person will be permitted to make slanderous, profane or personal remarks against any individual.

NAME: Steve Delmartini

AGENDA ITEM: Workforce Housing #6

ISSUE: _____

SIGNATURE: Steve Delmart DATE: 7-28-14

Attachment 6 - Staff Memorandums and Other Correspondence

PLANNING COMMISSION APPEARANCE REQUEST FORM

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NAME:

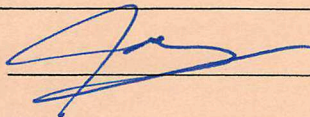
Jeff Eckles Home Builders Assoc
of the Central Coast

AGENDA ITEM:

Workforce House and my #6

ISSUE:

SIGNATURE:



DATE:

7.28-16



DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land – Helping to Build Great Communities

Date: July 26, 2016

To: Planning Commission

From: Brian Pedrotti, Project Manager

Subject: Continued item - Workforce Housing Ordinance and Design Guidelines / LRP2014-00018

On July 14, 2016, the Planning Commission conducted a public hearing for the Workforce Housing Ordinance and Design Guidelines item. Following staff presentation, public comment and discussion, the Commission directed staff to research several options to help them finalize the scope of the ordinance and determine needed ordinance changes. Specifically, the Commission asked staff to return with information as follows:

- Methods to ensure longer-term affordability of workforce housing units, including equity sharing, long-term owner-occupancy, and restrictions on vacation rentals
- Building construction fees
- Inclusionary Housing requirements and whether this provision could be eliminated
- Possibility of workforce housing subdivisions in Residential Suburban and Residential Rural land use categories
- Design considerations such as cottage housing, zero lot lines, front porch location and depth, and balconies over public sidewalks
- Addition of secondary units to Table 2-2 for Residential Multi-Family, Commercial Retail, and Office/Professional land use categories
- Methodology for transitioning residential units to commercial in mixed-use developments
- Intermixing/scattering of workforce housing units into a larger development

DISCUSSION

Longer-Term Affordability Provisions

The Commission directed staff to explore equity-sharing and longer-term owner occupancy provisions for workforce housing units. In particular, the City of San Luis Obispo's Moylen Terrace project (see attached site plan) was referenced by several speakers during public comment as a good example of equity-sharing currently in practice. County staff met with City staff to discuss their affordable housing

DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land – Helping to Build Great Communities

programs associated with the Moylen Terrace project and other City developments. Staff has attached a copy of the Buyer's Disclosure Statement for the Shared Equity Program, which is being utilized in the Moylen Terrace project. As long as equity-share units are in the program, they are required to be owner-occupied, which by definition would preclude vacation rentals. The statement includes a table showing that the longer a person owns the home, the lower percentage of appreciated value the person will be required to pay back to the City upon sale. Any value paid back to the City goes into an account to help fund additional affordable housing units. Staff recommends that any equity share program follow a similar process as provided by the City of San Luis Obispo.

Reduction/Elimination of Inclusionary Housing Requirement

The Commission directed staff to explore whether the inclusionary housing requirement could be reduced or eliminated. Staff is concerned about a potential conflict with the Density Bonus Law (DBL) in the California Government Code and an inconsistency with the Housing Element, as the elimination of the inclusionary housing requirement may have the potential to over-incentivize workforce housing subdivisions so that developers avoid otherwise feasible affordable housing developments. Therefore, elimination of the requirement is not recommended. The Commission could consider a reduced requirement, but should exercise caution in providing incentives that could conflict with the DBL. Staff recommends that the owner-occupancy requirement for these secondary units be eliminated if they are located on the same lot as another "primary"-sized residence.

Building construction fees

The Commission asked staff to review construction permit fees to determine if the County could provide additional financial incentives. As shown on the attached spreadsheet, although some fees are standard for all types of development, building permit fees are prorated by the unit size so that smaller units require a lesser fee. The Commission has the option to recommend that staff return with an amendment to the fee ordinance to allow that a lesser fee apply to workforce housing units.

Workforce housing subdivisions in Residential Suburban and Residential Rural

The Commission asked about the potential for workforce housing subdivisions in Residential Suburban (RS) and Residential Rural (RR) land use categories. The draft ordinance limited these projects inside a Urban Reserve Line or Village Reserve Line, assuming areas with urban level services. There are, however, RS and RR areas within the unincorporated area that currently provide or have the potential to provide community water and sewer. These parcels generally have a minimum parcel size of between one and five acres, although the option of applying for a cluster subdivision can reduce this minimum lot size considerably with community water and sewer. Due to the larger acreage and the more complicated regulatory layer for a cluster subdivision, staff is uncertain that this option would be used, but the option would provide greater flexibility depending on future market conditions.

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Revision to Table 2-2 – Secondary Units

One comment received from the Housing Trust Fund was that Table 2-2 of the Land Use Ordinance did not allow secondary units in the RMF, CR, or O/P land use categories that allow workforce housing subdivisions. Since single-family residences are not allowed in these areas, all workforce housing and secondary units are considered multi-family units. In this way, an applicant cannot obtain the “extra” secondary unit for each parcel, but the unit would instead be part of the overall allowed density. Given this limitation, the Commission does have the option to provide that units that meet the size restriction of secondary dwellings (i.e., no more than 800 square feet) in these land use categories can receive the reduced inclusionary housing incentive. However, no additional density may be acquired.

Intermixing Workforce Housing units into a larger development

The Commission asked staff about any limitations to creating workforce housing units within a larger development, such as mixing or scattering these units within the developments so that they are not clustered together in one area. The mixing of housing with different levels of affordability is a hallmark of the City’s Moylen Terrace project, and is in fact encouraged throughout the City. Staff suggests that if the Commission include this recommendation, that workforce housing parcels are designated as such on the tract map and are subject to all provisions of the ordinance. In addition, the ordinance could be written so that if a certain percentage of total units are workforce housing, the whole development may be subject to the design guidelines, but that the whole development may also receive the flexibility benefits of the ordinance, such as lesser setbacks and lot size.

Design Considerations

The Commission discussed several specific site and design requirements, including cottage housing, zero lot line development, front porch location and depth, and balconies over public sidewalks. Generally speaking, these changes can be accomplished in the ordinance.

Zero lot line development can be appropriate with workforce housing as long as minimum separation is provided between structures. The Commission can eliminate, change, or move the front porch location and depth provisions to the design guidelines. The Commission may add a section in the Workforce Ordinance allowing balconies over the public sidewalk, but the ordinance will need to be clear that this is a discretionary action (not entitled) and, if allowed, must conform to the standards found in the California Uniform Building Code (see attached UBC Chapter 33, Encroachments).

“Cottage houses”, which are very small single-family residences and have been developed primarily in the Pacific Northwest, were suggested as a possibility for workforce housing. These units are generally smaller (650 to 800 square feet) than what is envisioned with workforce housing, but would fit within

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the design parameters for secondary units. As part of the Planned Development Ordinance that was adopted in 2013, the Board also adopted the Small Lot Single-Family ordinance as a subset of Planned Developments, which was intended to provide this type of cottage housing (see attached Title 22 excerpt). This ordinance includes some of the desired provisions expressed by the Commission, including second and third stories that do not exceed the floor area of the first floor to break up the massing and scale. Some of these additional design provisions could be added to the design guidelines as well.

Transitioning residential units to commercial in mixed-use developments

As described in the original staff report and at the July 14th hearing, the proposed ordinance includes a revision to allow residential uses to be established in the CR or OP land use categories as a primary use, provided that certain standards are met. These include the provision that residential can be on the ground floor as an interim use as long as it is built to commercial standards. The Commission expressed concern with how the land use transition would occur, with special attention given to existing renters in interim residential units. In addition to the requirement that the decision-making authority identify a sunset on the interim residential use, staff recommends that workforce housing subdivisions include a timely notification of intent to change occupancy, perhaps six months or one year.

Please bring your staff report packet from the July 14, 2016 hearing.

If you have any questions regarding this matter, please contact Brian Pedrotti at (805) 788-2788.

ATTACHMENTS

1. Moylen Terrace site plan
2. City of San Luis Obispo Buyer's Disclosure Statement for Shared Equity Program
3. Building Permit Fee Schedule
4. UBC, Chapter 32, Encroachments into the Public Right-of-Way
5. Title 22, Section 22.30.475 – Residential – Small Lot Single-Family

SAN LUIS OBISPO COUNTY



DEPARTMENT OF PLANNING AND BUILDING

Promoting the Wise Use of Land – Helping to Build Great Communities

Date: June 28, 2016

To: Planning Commission

From: Brian Pedrotti, Project Manager

Subject: Continued item - Workforce Housing Ordinance and Design Guidelines / LRP2014-00018

At their May 26, 2016 regularly scheduled meeting, the Planning Commission continued the above-referenced item to their July 14, 2016 meeting.

Please bring your staff report packet from the May 26, 2016 hearing.

If you have any questions regarding this matter, please contact Brian Pedrotti at (805) 788-2788.



Workforce Housing
Sherri Danoff to: BPedrotti

12/03/2015 08:09 PM

Hi Brian,

Maximum lot size and dwelling unit size for affordable housing, plus and discouragement of expensive and little used fireplaces, would result in less costly housing and less need for subsidy.

An Affordable Housing Overlay LU Category, applied to areas near cities, would best assure that workforce housing is built. (This would improve the ratio of workforce / non-workforce housing and reduce work commutes, etc.)

Thanks for consideration of the above,

Sherri

**San Luis Obispo Association of REALTORS®
Local Government Relations Committee**

Feedback on County Workforce Housing Ordinance and Guidelines

Questions

1. What was the decision making behind only deed restricting the first sale of a workforce housing unit to owner occupants vs requiring all subsequent sales to owner occupants?
2. What was the decision making behind only deed restricting the first sale to workforce housing income standards?
3. What offer preferred treatment of an exclusive use easement which extends a yard area over property lines? (WFH Guidelines p. 17) This could lead to potential boundary or encroachment issues between neighbors.
4. Does a development have to be 100% workforce or is a mix of market rate and workforce allowed? If a mixed development is allowed, consider requiring workforce housing units to be interspersed amongst market rate units so a certain part of the development is not stigmatized as the workforce housing area.
5. Section 22.30.477 B.3.b. – How long shall an owner occupy a workforce unit as their primary residence? (2 years, longer?)
6. Section 22.30.477 D.3.c. – Why does the outdoor area need to be rectangular and not just a gross square footage area?
7. Section 22.30.477 D.5? (there is no subsection 5) – Units of 801-1,000 square feet shall have 1.5 parking spaces. How does a builder supply half a parking space?
8. Section 22.30.477 D.7.d – Why does a residence's front door need to be oriented toward the street?
9. What is to prevent a buyer of a workforce housing unit to turn around and immediately sell the unit at market rate?
10. Can the inclusionary housing requirement be eliminated altogether from a workforce housing development if a specific number of workforce housing units are created? The inclusionary housing requirement could put further strain on a developer who is already operating under thin margins to build a workforce housing product.

Recommendations

11. Consider a minimum size for balconies.
12. Consider increasing the minimum lot width to more than 15 feet. Such a small lot width is not practical or desirable given property setback requirements. Even with a minimal 3' setback on interior lots, a 9' wide home (based on exterior walls) is not a desirable product type.

Attachment 6 - Staff Memorandums and Other Correspondence

13. The availability of workforce housing is not viewed as a short term issue. Consider extending the sunset date of acceptance of a subdivision past January 1, 2021.
14. Consider an equity share model similar to the City of San Luis Obispo's program which is being implemented at the Moylan Terrace subdivision.
15. Consider allowing shared foundations or common walls with an air space gap between units, which would help accommodate zero lot lines and increased density. Currently drafted standards do not appear to allow for a development like Moylan Terrace.



May 4, 2016

Supervisor Lynn Compton, 4th District Supervisor
County Government Center
San Luis Obispo, CA 93408a

Dear Supervisor Compton:

The SCAC took the following actions at its April 25, 2016 meeting:

DRC2015-00101 Baker – Proposed Conditional Use Permit / development plan for a self-storage – The SCAC recommended acceptance of this proposal without reservations.

Workforce Housing Ordinance - SCAC recommend against approval of the Workforce Housing Ordinance based on increased population densities and parking space reductions. The council felt the parking space reductions would only be viable if adequate public transportation was available in the South County.

Additionally, the SCAC expresses skepticism that creation of affordable housing for an initial owner, but not after the initial owner sells, has a positive long term impact on the affordability of workforce housing.

SCAC Annual Budget - The council approved it's 2016/2017 annual budget and directed the Treasurer to apply for a \$1,000 grant from the County.

On behalf of the South County Advisory Council,

A handwritten signature in black ink, which appears to read "A. F. Herbon".

Art Herbon,
SCAC Chairman

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NAME:

JERRY RIOUX

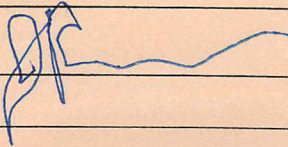
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5/26/16